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STRENGTHS IN BUSINESS
PROCESS OUTSOURCING

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Published by The Financial Times Ltd,
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The Financial Times adheres to a self-regulation
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Printed by Wyndeham Group in the UK

Registered Number: 227590 (England and Wales) ISSN:
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Caribbean builds up BPO credentials

WITH A STRONG LEGACY OF SERVICE INDUSTRY EXCELLENCE, THE CARIBBEAN IS NOW DEVELOPING INTO A HUB FOR THE FAST-CHANGING INDUSTRY OF BUSINESS PROCESS OUTSOURCING.
ALEX IRWIN-HUNT REPORTS

The diverse islands of the Caribbean are celebrated for their beauty and renowned for their tourist industries. Now another sector in the region is gaining strength and attracting investment.

The business process outsourcing (BPO) sector of the Caribbean grew at an average rate of 17% from 2010 to 2015, according to a report by the Caribbean Association of Investment Promotion Agencies (Caipa).

Increasingly, international BPO companies are tapping into a young, cost-effective workforce that speaks four different languages (English, Spanish, French, Dutch) on top of their mother tongues.

“[The] Caribbean BPO sector has proved its mettle with close to 100,000 employees across the region,” says Rejo Sam, global services strategy consultant and associate director at consultancy firm Avasant. “The services culture, due to the prominence of tourism and related services, gives the region a definitive edge over offshore locations, while an affinity to the North American culture makes the resource pool easily trainable.”

Driving growth

The BPO industry has become a driving force of economic growth, particularly in Jamaica and the Dominican Republic, where it employs a respective 35,000 and 18,000 people, according to local estimates. Moreover, their capitals Kingston and Santo Domingo ranked fourth and sixth, respectively, in fDi’s 2019 global BPO city ranking, which examines project numbers, capital investment and job creation.

Other countries with less mature BPO industries in the region are catching up, hoping to reap similar benefits. These include Belize, which had a BPO workforce of 2900 in 2018 following an annual average employment growth of 18% from 2012 to 2016, according to Invest in Belize data, and Trinidad and Tobago, which boasted 3000 BPO jobs in 2014, according to InvesTT data.

The BPO sector offers Caribbean countries a chance to diversify away from their reliance on either commodities or tourism, in the process supporting economic growth and providing youth employment opportunities in a region with a large informal sector.

“These economies are largely driven by demand from big economies through tourism or commodities,” says Juan Pedro Schmid, lead economist in the Caribbean country department at the Inter-American Development Bank (IDB), the largest source of development finance across Latin America and the Caribbean.

“It is extremely important for these countries to diversify, since they already have a lot of restrictions, including being surrounded by water. The BPO sector is one way for young workers to start working formally,” he adds.

Despite the Caribbean region’s extensive social and economic diversity, its cultural and geographical proximity to the North American and South American markets, multilingual proficiency and having a New York

CARIBBEAN BPO HAS PROVED ITS METTLE WITH CLOSE TO 100,000 EMPLOYEES ACROSS THE REGION



On the line: IDB delegates signing the \$15m loan agreement to boost Jamaica's Global Services Project

time zone have turned it into a major recipient of foreign investment for a growing number of BPO investors interested in setting up local centres for their services.

Industry shift

Business process outsourcing refers to the subcontracting of any business-related operations to outside suppliers rather than doing them in house, and generally involves using the services of skilled people at a convenient cost from another geography. Since it is a broad catch-all term that encompasses many business activities across many industries, it is sometimes more useful to refer to specific types of BPO.

"Traditionally we have thought of BPO as contact call centres, but the industry has shifted quite a bit," says Krista Lucenti, trade and integration senior specialist at the IDB. "The terms 'global services' and 'IT-enabled services' capture the whole market for outsourcing services, which would also include knowledge-process outsourcing and IT outsourcing."

There is a shift in the industry away from basic call centres towards innovation-driven higher value services, as increasingly sophisticated outsourced services have emerged across the Caribbean, including Saint Lucia's first artificial intelligence (AI) contact centre, OJO Labs, legal process outsourcing provider

Innovate LSO in Barbados, and KPMG's shared service centre in Jamaica.

Rife adoption and consideration of emerging technologies by BPO providers globally has led to a move away from solely contact call centre agent interactions to processes augmented by automation, analytics and AI. For instance, 72% of organisations in the Deloitte Global Outsourcing Survey 2018 are considering or adopting robot process automation (RPA), while among IT and finance outsourced service providers, RPA adoption rates were 87% and 83%, respectively.

A bigger share

The rise of the global economy and global supply chains, combined with the ever-growing possibilities offered by broadband connections, unleashed the potential of a market that is valued at \$195.2bn globally, according to figures and estimates by a report by Grand View Research. If emerging markets in Europe, south-east Asia and Latin America, such as Romania, the Philippines and Costa Rica, alongside economic powerhouses such as China and India, have become major global BPO hotspots leveraging their talent and business environments, the Caribbean region is now going to great efforts to follow in their footsteps and increase its share of a cake that, as a whole, ►



Climbing high: the Dominican Republic's capital, Santo Domingo, ranked sixth in **FDI's** 2019 global BPO city ranking

Grand View Research expects to expand at more than 7% annually through 2025.

Within this perspective, the Caribbean has essential grounding to excel, and is “an attractive location for global [BPO] services, due to its English language proficiency, a small but educated labour pool, proximity to the US market, reliable ICT infrastructure and supportive regulatory frameworks,” says Ms Lucenti.

Moreover, the region has significant cost advantages, both in terms of the cost of human and physical capital. Labour costs are between 88% (Haiti) and 55% (the Bahamas) lower than the US, while lower average rental rates mean companies can save between 92% (Haiti) and 28% (Barbados) compared with the US, according to figures cited by Caipa.

Besides, the Caribbean's ICT infrastructure has achieved a degree of competitiveness.

Work-life balance

Through infrastructure for employees, such as buses and childcare places, the BPO sector can be easily integrated into and embraced by Caribbean communities, due to improvements in the social quality of life.

“That is why people are normally very appreciative of it, and the attrition levels are

very low,” says Juan Gonzalez, research director for Latin America and the Caribbean at growth consultancy firm Frost & Sullivan.

With the Caribbean's long-established record in tourism and hospitality, it can provide the necessary training and customer services expertise required by BPO providers. “Not only do they have the aptitude to [satisfy] customers, but they also have been trained on how to speak politely, address clients and how to deal with impudent customers,” says Saurabh Gupta, chief strategy officer at HFS Research.

Caribbean challenges

However, despite its many advantages, there are challenges in attracting investment from BPO firms, some of whom have found certain Caribbean governments lack the holistic and fully fledged strategy necessary to support a rapidly evolving industry (see article on page 10).

While their small size has made it easier for BPO firms to access key public sector decision makers, such as cabinet ministers, many countries in the region also find this makes it impossible to scale up to the degree seen in mature international hubs such as India and the Philippines.

“The number one challenge faced in the region is labour market scalability, as population density is very low across the Latin America and Caribbean region, especially if you require good English skills,” says King White, founder and president at Site Selection Group, a firm that assists BPO providers in finding new locations.

Additionally, the trend towards automation and higher value offerings in the BPO sector will require significant investment in skills development across the region (see article on page 16).

“The industry is now hiring more tertiary-level graduates to do more higher value-added services outsourcing,” says Ms Lucenti. “In the Caribbean, the current BPO sector hires secondary school graduates, and if they want to scale up this is something they need to address.”

Some worry that the Caribbean is not well prepared for the challenge of a move towards the use of emerging technologies in the BPO sector. “The whole concept of labour arbitrage, or getting similar skilled people at a low cost from another geography, from my perspective is reducing. With the emergence of automation, analytics and AI, that is what is captivating the mindset of the global C-suite today,” says Mr Gupta.

Some Caribbean countries are embracing the challenge: Jamaica, for example, teamed up with the IDB to launch programmes such as the Global Services Sector Project to better train workers and promote growth in higher value-added segments of the market. Such initiatives suggest that the Caribbean has what it takes when it comes to future-proofing its global BPO leadership status. ■



MEET CONSUMERS WHEN, WHERE, AND HOW THEY DEMAND, WITH INNOVATIVE CUSTOMER ENGAGEMENT SOLUTIONS

HGS designs and implements an effortless customer experience using digital channels, analytics, automation and digital marketing.

Today's customers evaluate a company on the experience that they receive.

The entire sales cycle (pre-sales, purchase, and post-purchase) experience is as important to them as the actual product or service. Customers are juggling multiple channels at one time, often on multiple devices. Servicing these customers requires companies to be always alert, frequent the same channels as customers, and be consistent is their customer service across channels.

Right now, the formal process of digital transformation is still in its early beginnings. With the explosion of digital, organizations are in the process of realigning themselves, which affects the roles and objectives of marketing, PR, sales, social media, website development, mobile, as well as customer service. These siloed teams must come together and work in synergy in order to undergo a successful digital transformation. In addition, brands will be making additional investments in technology, people, and new business models to more effectively engage digital customers at every touchpoint throughout the customer journey.

A global leader in business process management (BPM) and optimizing the customer experience lifecycle, HGS is helping make its clients more competitive every day. With 75 locations and 44,000 employees globally, HGS combines technology-powered services in automation, analytics, and digital with domain expertise focusing on back-office processing, contact centers, and HRO solutions to deliver transformational impact to clients.

With the benefit of a global Business Excellence Team, HGS takes an approach to operations that focuses on being "brilliant at

the basics." Being 'brilliant at the basics' means HGS ensures the right people are retained in the right jobs. The company hires, trains, and retains by seeking to continuously improve employee satisfaction. For clients, this means providing them with solutions that impact their business now, yet positioning them competitively for the next challenge that arises.

Across HGS facilities, the goal is to help clients grow and transform through intelligent innovation. As solution providers at heart, HGS has a passion to transform by seeking out business problems that can be solved through creativity and innovation. Adopting automation, leveraging the right analytics, expanding digital channels, or implementing digital marketing efforts must be fine-tuned uniquely to the experience and promise of each unique brand.

HGS GROWTH IN JAMAICA

HGS Jamaica has quadrupled its business over the past three years and is on track to double in the next three years. Simultaneously, the company has successfully established an infrastructure of employee programming and benefits that make it a top employer of choice in the country with net promoter scores nearly 20 points higher than competitors.

An area of focus for HGS is fostering employee education, skill development and a positive work environment through strategic programming. One initiative unique to HGS Jamaica is the Daily Energy Plan (DEP), created with the idea that an infusion of energy is key to remaining passionate throughout the work-week. Implementation of DEP has been an essential part of improving productivity and

job satisfaction throughout HGS.

In addition to the cultural benefits, HGS provides extensive healthcare benefits to employees and was the first BPO in Jamaica to provide healthcare to all. Other industry-leading benefits include subsidized meals, education-based sponsorships for employee children and customized benefits packages for pregnant employees.

HGS encourages employees to give back to the community through participation in local CSR activities. One of the most impactful is HGS Jamaica's partnership with the Avasant Foundation, an organization that empowers disadvantaged youth through professional education and skill development. As part of the partnership, the company is committed to hiring program graduates and welcomes approximately ten percent of qualified graduates each year.

With a current headcount of 2,400 and continued business growth, HGS Jamaica has established itself as a leader in the Nearshore services industry.

For more information, visit
www.teamhgs.com.

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Q&A: TESSA JACQUES

Islands of opportunity

TESSA JACQUES, CAIPA'S PRESIDENT AND THE DIRECTOR-GENERAL OF HAITI'S CENTRE FOR FACILITATION OF INVESTMENTS, TELLS **ALEX IRWIN-HUNT** ABOUT THE BPO OPPORTUNITIES ACROSS THE CARIBBEAN, HAITI'S POTENTIAL AND THE POSSIBLE EFFECTS OF BREXIT

Q What makes the Caribbean an attractive region to the business process outsourcing [BPO] sector?

A The Caribbean is at the centre of the changing trend in the nearshore market, where companies in the US are starting to move their operations closer to home. We have a skilled labour force, and fairly competitive wages compared to the North American market. We are also multilingual, as [our] talent has the potential to speak French, English, Spanish, Creole, Dutch and other languages. The Caribbean is well known for its tourism sector, and services is something that the Caribbean is proud of and culturally inclined to deliver.

Q What are the main segments of the BPO sector in which the Caribbean Association of Investment Promotion Agencies [Caipa] would like to attract investment?

A We have a wide strategy. We are looking at call centres, but also legal process outsourcing, human resources outsourcing, shared services, and finance and accounting outsourcing. We are looking at it from both a basic BPO and high-value-added outsourcing perspective.

Q How is the Caribbean preparing for challenges within the BPO sector?



OUR OPERATIONS WILL BE SMALL, BUT BEING SMALL DOES NOT INDICATE A LACK OF EFFECTIVENESS



A The key area of focus for us is the upcoming 'Outsource to the Caribbean' conference. One of the main presenters on the first day will be offering a pre-workshop training session about what is going on in the BPO sector, how it is evolving, and what the best entry points are for our smaller firms. Through our discussion sessions we hope to be able to act as a working group and lead these sessions with action plans and next steps for our association.

Q How do smaller Caribbean countries with less well-developed BPO sectors compete with neighbouring countries that have more mature and developed BPO sectors?

A Our operations will be small, but being small does not indicate a lack of effectiveness – quite the contrary. All the well-educated service-oriented people across the region will be able to provide exactly what the outsourcing market needs; agent and client retention, as well as a high level of customer service experience. I think that each of our countries has specific offerings, so rather than competing with each other, through Caipa we are highlighting that there are specific niches for each territory.

Q What are the main opportunities and challenges for the BPO sector in Haiti?

A The basics are there, including BPO activity and labour force. For example, Digicel, which has locations across the Caribbean and Latin America, has one of its main call centres in Haiti. Haitians naturally speak three languages; children learn both English and Spanish in school [in addition to French].

A lot of Haiti's problems come as a result of a lack of job creation. With the current situation, which is not necessarily new and is unfortunately somewhat recurrent, people



CURRICULUM VITAE

TESSA JACQUES

2017

Centre de Facilitation des Investissements en Haiti
General director

Previously

Roles at AmCham Haiti, Marriott Hotels, Emirates, Air Canada

don't necessarily look at Haiti as an investment destination, but this is true for other territories where investors do not think of BPO or knowledge process outsourcing, but rather the beaches, resorts and mountains. Through Caipa we have been trying to change the narrative for the Caribbean, not just as a tourist but also an investment destination that serves sectors such as BPO.

Q Are there any risks to the Caribbean and the BPO sector?

A A majority of [Caipa's] members will be affected by the UK's decision to leave the EU, and this may affect the nature of the development support that English-speaking countries receive from the EU. We are aggressively engaging with BPO providers throughout Europe to consider the nearshore opportunity that the Caribbean offers, and we hope that BPO firms from the Netherlands will be present at our conference in May 2019. ■



REINVENTING THE CONTACT CENTER

How Advantage Communications is challenging the contact center with the latest technology and its people-first culture

Passion for helping people, combined with its use of groundbreaking and innovative technologies such as operational intelligence, deep learning, and augmented reality, has positioned Advantage Communications as a disruptor to the traditional contact center industry and one of the leading International BPOs when it comes to offering a people-friendly customer experience.

Established in 1996, Advantage Communications (ACI) is built on a cultural tenet that 'people are everything'. And whether that means being an **'Employer of Choice'** in the industry, or its philosophy that customer care is a brand-enhancing experience that should delight and impress customers, ACI is passionate about putting people first.

With clients with over 400 FTE, as well as a number of long-term client relationships lasting over 15 years, ACI's people culture has proven itself with over 15,000 customer testimonials from successful partnerships.

Take its operations in Jamaica. Today ACI's Jamaican call centers employ over 1,000+ people across three locations in over 50,000 square feet of high-tech workspace.

PEOPLE, PASSION & TECHNOLOGY

Success starts with the company's frontline agents. Celina Hendricks is the Regional Site Director at Advantage Communications' Jamaica and is responsible for the successful delivery at the site, managing and servicing the facilities and, most

"USING AUGMENTED REALITY, ACI HAS FIGURED OUT HOW TO PRESENT REAL-TIME VISUAL FEEDBACK TO AGENTS THAT INCREASE PRODUCTIVITY BY 20%" importantly, staff engagement.

Each morning Celina visits every floor of ACI's five-floor building and greets staff. "We spend the majority of our lives in the office. Work isn't simply a job and an income; therefore, we create an environment where our employees wake up in the morning and are happy to come into the office. Frontline staff need to be happy, everything comes out in their tone, their voice and their interactions with the customers."

Engaged employees are key to successful training. And that's crucial for transforming agents to brand ambassadors. ACI's agents quickly become immersed in customers' products and services, their brand values, and what they represent.



Changing the conversation around service excellence is one example of how ACI's passion is driving change.

"ADVANTAGE COMMUNICATIONS HAS "IN THE MOMENT" AI-ENABLED SPEECH ANALYTICS THAT ANALYZES 100% OF PHONE CONVERSATIONS AND PROMPTS AGENTS WITH THE BEST THINGS TO SAY BASED ON THE CONTEXT OF THE CONVERSATION"

The result? Proactive agents who are coached in real-time and execute perfectly on every call.

Customer service today is often digital and omnichannel, but that doesn't take people out of the equation. When technology is seamlessly integrated with human interaction, customer effort is reduced. That's why the right mix of technology is important.

Advantage Communications has sought out and implemented game-changing technologies such as a proprietary augmented reality software for real-time operational intel. AI-enabled Live Call Guidance technology tracks and enforces actions such as empathy and active listening. And omnichannel conversational self-service, using intelligent virtual agents or chatbots, is paired with a live agent — providing the best of both worlds.

GROWTH IN JAMAICA

The success of Advantage Communications in Jamaica is set to grow in the coming year, with the company's new team of executives already planning some exciting initiatives to revolutionize the industry further, including the opening of a new 'Branded Experience Center' for one of their clients.

Jamaica has a highly educated English-speaking workforce with the country offering BPO-specific training at the University level. Jamaica is also in close proximity to major markets within similar time zones, allowing ACI to easily and efficiently work with high-profile clients in the Caribbean and North America.

Celina Hendricks adds: "We've built an incredibly strong reputation within the BPO sector. The highly-skilled Jamaican workforce has enabled us to go above-and-beyond for our clients, meaning we don't just offer a one-size-fits-all approach. We customize each of our programs and services for the specific needs of our clients."

Advantage Communications is reinventing the call center with a modern approach that lowers customer effort, leverages innovative technology, and provides exceptional brand experiences. Its operations in Jamaica and Canada are poised for expansion in the year ahead.

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People powered: KM² reports high hourly productivity in Saint Lucia

Looking to a higher level

WITH MORE THAN 200 DELIVERY CENTRES ACROSS THE CARIBBEAN OFFERING SERVICES FROM CONTACT CALL CENTRES TO LEGAL PROCESS OUTSOURCING, THE REGION IS PROVIDING AN INCREASINGLY DIVERSE SET OF OPTIONS FOR FIRMS ACROSS THE OUTSOURCING SECTOR.

ALEX IRWIN-HUNT REPORTS

Due to its relatively low cost, labour quality and geographical proximity to the key North American markets, the Caribbean has been an attractive location for outsourcing firms across the spectrum. Contact call centres are the predominant form of business process outsourcing (BPO) found in the region, stretching from Suriname and Guyana on the north-east coast of South America, through the Lower Antilles and Belize, up to the Bahamas off the US coast.

"Shared service centres [SSCs], knowledge process outsourcing [KPO] and IT outsourcing are really more focused on Latin America, with Costa Rica as the premium location," says King White, founder and president at Site Selection Group, a firm that assists BPO companies in finding new locations.

Higher value

Despite a focus on call centres and more basic forms of BPO, the Caribbean region is considered to hold great potential for professional forms of BPO higher up the value chain, due to the region's burgeoning graduate talent pool and natural affinity for niche services.

"I think that in IT outsourcing, KPO and creative services, there are real opportunities for local SMEs in this region," says Krista Lucenti, trade and integration senior specialist at the Inter-American Development Bank.

Examples of successful higher value outsourcing in the region include financial services outsourcing, such as Scotiabank in Trinidad and Tobago and KPMG's SSC in Jamaica; creative industry outsourcing, such as animation services in Barbados, Jamaica and Saint Lucia; and legal process outsourcing in countries such as the Bahamas and Barbados.

Client driven

BPO firms typically generate revenue through clients paying them for the outsourced services they render, which requires flexibility in order to cater, adapt and respond to clients' needs regarding facilities, costs and quality.

The proximity of the Caribbean to both North American and South American markets enables clients to easily travel to assess the facilities and interact with services companies. Moreover, English language proficiency and the cultural affinity of the Caribbean to North America enables Caribbean call centre agents to understand North American customers' requirements easily.

The region is also cost effective, with labour costs on average 60% less than North America and overall cost of operations significantly lower, according to Randy Clapp, chief revenue officer at customer relationship management firm Advantage Communications.

"My overall experience in the Caribbean has been great," says Yoni Epstein, founder and CEO of home-grown Jamaica-based BPO solutions firm Itelbpo.

Many companies report the customer service and productivity of their agents in the Caribbean is unmatched. CEO and founder of call centre provider KM² Solutions David Kreiss says: "Saint Lucians are just terrific workers, and we found the productivity in an hour was significantly greater than anywhere else, including the US."

Local challenges

Given the risk of hurricanes within the region, clients expect and look for buildings to be of sound structure, while also meeting their corporate image and standards, particularly larger companies. "Clients will not go to cinder block buildings as it doesn't represent their brand. You have to match brand image with the type of centres on offer," says Mr Kreiss.

Some countries are facing this issue head-on. "The main domestic challenge is the provision of suitable, modern operating contact centre facilities," says Roderick Cherry, CEO at Invest Saint Lucia. "Invest Saint Lucia is actively doing its part to quell this issue by retrofitting factory shell spaces owned by the organisation to suit investors' specific needs."

Many BPO firms have resolved this issue with real estate through partnerships with either local investment promotion agencies or real estate developers, as well as well-purposed industrial parks and free economic zones found across the region, such as those offered by Invest Barbados and Curinde in Curaçao.

"ICD Group are major real

estate developers on the island, so real estate is never an issue for us. In fact in Portmore, Jamaica, we have a 600-seat facility being built to meet demand,” says Mr Clapp at Advanced Communications, which has partnered with ICD Group.

Labour market

Despite a lack of labour market scalability, operating in smaller Caribbean countries can have significant advantages, as there is often less competition among firms for agents and the talent pool, meaning wages remain stable.

However, attrition is a real issue in the BPO sector, especially in competitive markets, where agents can easily move from one company to the next to improve their wage growth. Many BPO firms have set up in smaller cities and towns across the region where attrition rates are lower due to a lack of job opportunities. Work-at-home agents, or call centre agents who work remotely, could also provide a solution to this problem, but are not yet widespread across the region.

For the Caribbean to be able to

attract more BPO providers, some companies have stressed that labour laws need to be updated in terms of both flexibility and wages to reflect the BPO industry, which suffers from attrition, cyclical fluctuations and changing client demands.

Market entry costs can be substantial, due to the need to ship in the equipment required to set up call centre operations. Seat leasing, where third-party companies build the facilities and lease the desks to BPO firms, provides an opportunity to avoid such huge capital investment.

Some operators in the BPO sector believe incentives such as tax breaks are not enough to guarantee BPO firms invest and stay in the Caribbean. “[Caribbean governments] need to develop some more tangible economic incentive tools than tax holidays,” says Site Selection Group’s Mr White.

A saturation risk?

While attracting BPO investments in the short run provides essential job opportunities in a region with high

unemployment, there is a long-term risk that attracting too many BPO operators will lead to labour market saturation, thus pushing up wages and the overall costs of operation, and reducing the investment attractiveness of the region to basic BPO firms.

Despite this risk, many hope that the Caribbean will emulate Costa Rica. Once a hub for call centres, the Central American country experienced an exodus of BPO firms following wage increases, and has instead moved up the value chain to become a leader in SSCs and higher value BPO.

Indeed, a focus on cost competitiveness will not guarantee BPO firm investment, as firms increasingly look for opportunities to offer innovation-driven higher value services.

“Most locations are still looking at positioning themselves as cost competitive, while investors are now looking at locations more from their ability to drive innovation within their service offerings,” says Rejo Sam, global services strategy consultant and associate director at consulting firm Avasant. ■

SPOTLIGHT ON TRINIDAD AND TOBAGO ADVERTISEMENT FEATURE

6 REASONS TO ESTABLISH BPO SERVICES IN TRINIDAD AND TOBAGO



Trinidad and Tobago is an attractive nearshore location for BPO at the southern end of the Caribbean island chain.

The country’s BPO industry consists of a healthy mix of global service providers and domestic players, many of whom serve the Caribbean and North America. We offer business and financial institutions a range of competitive BPO advantages:

1. NEARSHORE LOCATION

Port of Spain, Trinidad and Tobago’s capital, is located within the Atlantic Standard Time zone, making it a cost effective nearshore location in the same time zone as the Eastern seaboard of the United States. Additionally, flight time to Miami is a mere 3.5 hours. Business disruptions from natural disasters are almost non-existent.

2. NATIVE ENGLISH-SPEAKING

The country has over 141 high schools graduating approx. 6,100 students annually

and 81 vocational and tertiary level institutions, including 3 universities graduating approx. 8,000 students annually.

3. COST-EFFECTIVE BUSINESS CLIMATE

Trinidad and Tobago is one of the most cost-effective countries to support BPO operations in the Caribbean with competitive energy and labour rates. The average monthly salary for BPO customer service representatives is US\$500-\$650.

4. ADVANCED INFRASTRUCTURE

Five undersea fibre connections provide a robust and redundant core infrastructure. Available ICT services include traditional broadband, WiMax mobile broadband, dedicated internet access, advanced and next generation IP networks and satellite backup services. There is an extensive network of roads, modern telecommunications, good air connectivity, reliable power and utility systems on the islands.

5. ATTRACTIVE INCENTIVES

Qualified BPO providers can enjoy the benefits of being located in a free zone, where they will be exempt from withholding tax, land & building taxes, value added tax and corporate income tax for an extended period. Some state agencies also provide special incentives to support middle and back-office processing for companies and their BPO providers.

6. EXCELLENT FACILITATION SERVICES

InvestTT is the country’s investment promotion agency which targets BPO providers that are seeking to set up in the nearshore. Our services include providing information on the local labour market, setting up of meetings, site visit facilitation, real estate advisory and access to incentives.

For more information on establishing operations in Trinidad and Tobago, please contact us at sekou.alleyne@investtt.co.tt or visit our website www.investtt.co.tt. Connect with us as well on www.linkedin.com/in/investtt/

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WHY INVEST IN SAINT LUCIA'S BURGEONING BPO SECTOR?

Over the last few decades, Saint Lucia has earned an enviable reputation as a world-renowned wedding and honeymoon destination. This notwithstanding, the island is quickly earning global status as a prime investment location, with boundless prospects for growth and development given the number of cross sectoral multi-million-dollar projects that are either proposed or currently under construction.

The island offers all the attributes that are essential for businesses within the BPO sub-sector to thrive. Critical among those are Saint Lucia's economic and political stability, proximity and connectivity to North America, cost effectiveness, low market penetration, sound infrastructure and education systems, the Saint Lucia Internet Exchange (SLIX), a stable currency and outstanding available talent. The feedback of on-island providers indicates that our talent pool represents a high level of capabilities due to their proficiency in commerce and cultural affinity to North America.

In fact, Saint Lucia was recently voted Best Caribbean Island to Invest by some of Europe's most discerning investors. The island was also the recipient of the Best Investment Award for Latin America and the Caribbean - a coveted Annual Investment Award - for having managed to attract and retain the Pearl of the Caribbean regarded as an exemplary project based on, inter alia, the size of the investment.

Saint Lucia has also been identified as one of the countries outside the US, where companies will most likely locate to within the next five years. A burgeoning middle class,

"THE ISLAND OFFERS ALL THE ATTRIBUTES THAT ARE ESSENTIAL FOR BUSINESSES WITHIN THE BPO SUB-SECTOR TO THRIVE"

political and economic stability, an industrious, well-educated workforce, and quality infrastructure are some of the considerations cited, when it comes to investing in Saint Lucia over other islands.

Such pronouncements have also been articulated by those who have already invested in the Information and Communication Technology Sector and, in particular, Business Process Outsourcing (BPO) contact centers.

Investment in this Sector has grown since the early 2000s, as new and established service providers expand their networks. The Sector's dynamism is a result of reliable technology and infrastructure, a reputable legal and regulatory framework, stable macroeconomic environment and business reforms pursued since the early 1990s.

Currently, there are at least four contact centers that focus on outsourcing – KM² Solutions; 1888GoAnswer, Velox Performance and OJO Labs – the latter specializing in (Artificial Intelligence) AI technology. Sandals' Unique Vacations, Digicel and Cable and Wireless (FLOW) also operate contact center services in Saint Lucia.

In addition to being ideal for Business Process Outsourcing (BPO), Saint Lucia also has the capacity to support Knowledge

Process Outsourcing (KPO) businesses in a range of areas such as Legal, Financial Technology (FinTech), Architecture, Web Services, Real Estate, Medical Services and now in Artificial Intelligence (AI). This illustrates a destination that can provide value in both existing and emerging niches given Saint Lucia's proven competencies in these disciplines.

Internationally, the BPO industry is moving towards the need for more specialised skills for industry specific support. As a smaller jurisdiction, Saint Lucia is able to leverage its existing pool of talented and skilled young people who can be easily trained to work in those niche contact centers.

The potential labour supply for BPO firms is highest in the south of the island. This fact, coupled with the supporting infrastructure; proximity to the Hewanorra International Airport and southern Seaport; established commercial enterprises; international medical schools and projected economic growth due to the launch of major investment projects, should allay any scalability concerns posed by potential investors in this sector. The development of the sector will encourage the establishment of other supporting/indirect industries and will enhance the southern quadrant as a choice business location.

Invest Saint Lucia (ISL) is one of the few investment promotion agencies in the world that holds the unique position of both promoter and facilitator of investments. The agency works to influence policy transformation by making recommendations based on feedback from current or potential clients, stakeholders (local and overseas), market influencers, international dynamics and competitive forces. Moreover, ISL owns prime real estate including factory shell space with built-in infrastructure that can be retrofitted to the needs of specific businesses. This presents an ideal opportunity for contact center operations and thus makes the business facilitation process more efficient, more cost effective and less time consuming.

Cognizant of the importance of the BPO Sector not only as a driver of revenue but more so as an employment generator, Invest Saint Lucia is working closely with international sector stakeholders to ensure interaction with companies that are a match to the island's local capabilities and vice versa. Given its competitive advantages, one will recognize that Saint Lucia provides a great proposition for winning high-value clients with a greater probability of materializing into actual investments. For more information on investing in Saint Lucia, go to www.investstlucia.com

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Q&A: CHRIS COLES

C&W's strong connection

THE CHIEF COMMERCIAL OFFICER OF BUSINESS MARKETS AT INTERNATIONAL TELECOMMUNICATIONS PROVIDER CABLE & WIRELESS COMMUNICATIONS TELLS ALEX IRWIN-HUNT ABOUT WHAT DRIVES THE BPO SECTOR IN THE CARIBBEAN



CURRICULUM VITAE

CHRIS COLES

2018

Cable & Wireless Communications

Chief commercial officer, business markets

Previously

Liberty Global, managing director;
HyperQuality, president/CEO

Q What attracted Cable & Wireless [C&W] to the Caribbean?

A As a network service by definition, we have to string up wires, put up cell sites and we are quite engaged in the local economy. As such, to support that business we set up support structures, customer service and sales activities accordingly. That is the origin of our presence in the Caribbean – and it has served us well.

If you compare the Caribbean with other regions across the world, there is a lot to be said for the culture, energy and people that inhabit the region, many of whom are local, but also many expats or transplants coming in from Europe, North America and other parts of the globe. We are present and delighted to be there.

Q What are the opportunities and challenges in the region?

A Nearshore opportunities are inherently more appealing for a number of reasons, not least of which is the time zone. A lot of North American businesses can visit on a one- or two-day trip, which improves the client engagement. Most of the Caribbean is English speaking, meaning dealing with colloquialisms is a matter of routine.

Due to the infrastructure that C&W and others have been putting into the market, you have high fibre-quality services for internet, video and extensive mobile networks. The cost of operations in the Caribbean is a lot lower than in other areas of the outsource roadmap.

In terms of challenges, the obvious ones are related to hurricanes and floods, but that is not unique to the Caribbean; many parts of the world have that exposure, including business process outsourcing [BPO] centres in India or the Philippines. There are added complexities relating to high unemployment, and sometimes governments are a bit transitory, in the sense that with a five-year

term, limited leadership or administration, at the end of that time a new administration may come in and modify or [abandon] prior decisions. This is something we work closely on with the various regulatory and legislative policy bodies in the Caribbean, to look for ways to have a more sustained approach, and to infrastructure investment in particular.

Q Are governments investing enough to support BPO?

A I think certain governments – Jamaica being a very positive example – have a competitive advantage based on geography, language skills and the work ethic of the people. Jamaica is in the process of a massive infrastructure programme to upgrade the roads, buildings and skills of people, such as job skills training, and working with people on phone processes.

Others are taking notice, and there is certainly enough business out there if the infrastructure and skills are up to task to make that happen.

I think a number of governments observe it and are acting upon it. There are [18] countries in the region, but they are not coming at it with the same pace and vigour. Those that see it as an opportunity certainly are.

Q Any further thoughts on the Caribbean and the BPO sector?

A I think from a global landscape, the Caribbean, while not as mature as other locations such as India and the Philippines, is punching above its weight and will continue to overachieve because of the infrastructure, the people that service customers for global firms, and its proximity to big markets. I think that there is a growing recognition that nearshore options such as the Caribbean are quite interesting to North America as well as South America. There is an ample supply of Spanish-speaking people that can address Latin America. ■



PREPARING FOR TOMORROW'S DIGITAL ECONOMY

Services outsourcing is evolving rapidly from being cost driven to innovation focused. While cost competitiveness still plays an important role it has become far less a decisive factor in driving investment decisions.

As the global outsourcing industry witnesses a marked shift towards digital services enabled by disruptive technologies - Cloud, Blockchain, RPA/Automation, AI/Artificial Intelligence - investors are basing investment decisions on the ability of a location to drive services innovation. Global outsourcing sector is adopting digital technologies and RPA to improve service delivery, thereby resulting in slower demand for new centers in cheaper off-shore/nearshore locations. At the same time, Cloud/SaaS enabled service models are allow-

ing even smaller locations to compete effectively. All these factors are shaking up the traditional outsourcing destinations that were dependent on cost and labor arbitrage. Forward looking destinations with a long-term vision are repositioning themselves as digital and higher value services focused locations.

Across global economies, Digital competitiveness is increasingly becoming the engine for accelerated growth, improved public services and overall socio-economic transformation. According to Avasant's research, just a 1% increase in digitalization by a country can result in a 0.5% increase in national GDP and a 1.9% increase in international trade volumes as well as improve public sector efficiency in turn allowing for better fiscal management.

To improve 'Digital' awareness among

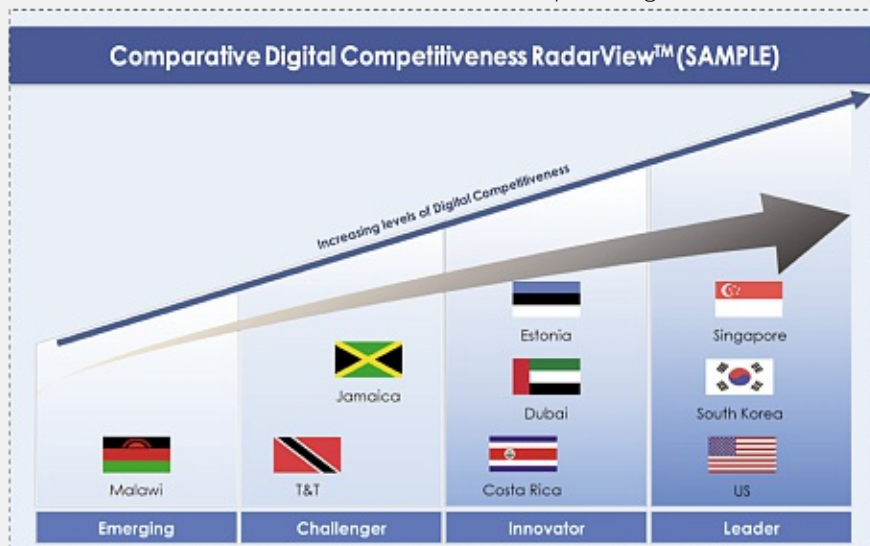
both investors as well as domestic institutions, Avasant, a global technology and strategy advisory firm, has launched its pioneering Digital Competitiveness RadarView. This index helps countries assess and position themselves in the competitive market based on their Digital readiness and maturity. Initially developed to help emerging countries assess their technology, legislative and business ecosystem, the Digital RadarView Index is now also being leveraged by public sector institutions, investment promotion agencies and policy making bodies to attract investments. The index helps identify gaps and improvements to key pillars – human capital, legislative, business ecosystem and infrastructure necessary to attract investments as well as new economic opportunities.

Over last 15 years Avasant has delivered strategic consulting around IT and BPO sector development in over 40 countries including 15 in the LAC region. Based on this experience, Avasant has developed Digital RadarView as a competitiveness index that evaluates over 125 parameters about a location's potential to offer digital services. It assesses the country's ability to derive competitive advantage by leveraging digital technologies. This index enables locations to identify existing gaps and comparative advantages, in turn enabling better policy decisions, educational initiatives and preparedness for attracting technology investments.

For investors, the RadarView index provides a barometer into the location's digital adaptability and culture and how it translates into an investment opportunity. For government decision makers and policy development institutions it is a valuable gauge for prioritizing initiatives and funding to close gaps and reduce the digital divide. For Investment promotion agencies it's an ideal guide to shape policies and incentives to spur investments as well as to tailor academic and talent development programs for digital skills.

Unlike other country indices, the Digital Radarview is not a ranking index but more of a categorization tool, recognizing that economies are at different levels of maturity for digital competitiveness. Such an approach enables locations to identify existing gaps and comparative advantages, enabling better policy decisions and preparedness for a technology driven global ecosystem.

Avasant has so far developed Digital Radarview for Trinidad & Tobago as well as Jamaica, with plans underway for assessing The Bahamas, Belize, Costa Rica and Panama. You can learn more about the Digital Radarview at www.avasant.com/digital-radarview



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Point of entry: Curaçao is hopeful that it can position itself as the gateway to the Americas

A question of value

DESPITE THE CARIBBEAN'S ATTRACTIVENESS AS AN OUTSOURCING LOCATION, THE INDUSTRY TREND TOWARDS HIGHER VALUE SERVICES, TECHNOLOGY AND INNOVATION POSES A CHALLENGE. ALEX IRWIN-HUNT INVESTIGATES.

Several factors make the Caribbean an attractive location for outsource company investment, not least its services-based multilingual workforce, which is cultivating top-class customer service. David Kreiss, CEO and founder of KM² Solutions, a contact call centre provider that operates across four Caribbean countries, as well as in Latin America, says: "The service that the agents can provide is phenomenal."

Beyond customer service, however, outsourcing providers and their clients are demanding higher value added in the interactions between agents and customers. Through both technological innovations (such as artificial intelligence, analytics and automation) and training, agent roles are evolving beyond just repeating and executing, to tackling complicated requests. They thus require constant personal

development to keep up with the needs of customers.

Next steps

"The Caribbean needs to transform its human resource beyond the cultural empathy and language ability, to people that can add value to transactions," says Juan Gonzalez, research director for Latin America and the Caribbean at growth consulting firm Frost & Sullivan.

Nonetheless, there are several examples of successful higher value services across the region, such as Hinduja Global Solutions' 60-person facility in Jamaica, which provides complex and intertwined healthcare data for US hospitals and physicians.

The Inter-American Development Bank (IDB), the largest provider of development finance across the Caribbean and Latin America, has played a major role in providing the financial support necessary to develop both the Caribbean's investment infrastructure, and its talent pool. It is part of the region's drive to transition from business process outsourcing (BPO) to global services.

The IDB has partnered with both Trinidad and Tobago and Jamaica to strengthen human capital and skills development systems – which will increase the pipeline of talent for the global services sector – and to

create and promote stronger value propositions for increased domestic and foreign investment.

Getting smart

Other Caribbean countries are ramping up their tech capabilities. The hope is that by becoming a destination for tech-driven innovation, there could be benefits for the wider economy. "Curaçao is positioning itself as a smart destination and attempting to attract niche service providers, tech start-ups and individuals to leverage Curaçao as a gateway to the Americas," says Rejo Sam, global services strategy consultant and associate-director at consultancy firm Avasant.

Some companies in the region have used technology to streamline their call centres and cut hold times, and have hired higher paid skilled agents at the back end of their operations. For example, Advantage Communications in Jamaica has implemented its My Virtual Partner (MVP) technology, which monitors both sides of phone conversations and makes live best practice recommendations to its agents. "We are seeing a 20% increase in productivity from MVP," says Randy Clapp, chief revenue officer at Advantage Communications, which has six contact centres in Canada and Jamaica.

Besides technology, many coun- ►



BARBADOS

An Ideal Jurisdiction for Business and Knowledge Process Outsourcing

Looking for a thriving nearshore location for business and knowledge process outsourcing?

Barbados, a vibrant centre for global business, also well regarded as a transparent jurisdiction of substance, has for several decades been providing an enabling environment for international Business Process Outsourcing (BPO) services. While BPO can be applied to many sectors including retail, manufacturing, human resources, banking and finance, and customer service functions such as marketing and technical support, Barbados is perhaps better known in the industry for customer care services, information and communication technology (ICT) support, transaction processing and health insurance claims processing, among others.

The factors that distinguish Barbados as a prime investment location in the Caribbean, and particularly for BPO services, include its close proximity to the North American market, daily connectivity to major international gateways, service-oriented, talented workforce, low attrition rates and cultural affinity with North America. Barbados' educational system has contributed to an adult literacy rate of 98%, one of the highest in the world. The country also offers a modern telecommunication infra-

structure with 100% fibre optic connectivity, 4-G LTE and an excellent quality of life. Additionally, the jurisdiction provides state-of-the-art technology based services and solutions, with 10 government owned business parks, one of which serves as a dedicated ICT services cluster. Office accommodation is also readily available in the private sector.

Investors seeking cost-effective solutions will be particularly pleased to learn that Barbados is committed to ensuring that it remains globally competitive while adhering to the international standards required by the Organisation for Economic Cooperation and Development, particularly the Base Erosion and Profit Shifting initiative. To this end, Barbados is one of the first countries in the Caribbean to converge its domestic and international tax rates and has also introduced a new suite of business legislation, enhancing the country's competitive advantage and ensuring that it remains a compelling choice for global business.

According to KM² Solutions (Barbados) Ltd., a US owned, state-of-the-art contact centre operating in Barbados since 2007, "Our company was attracted by the urban environment, financial stability, tax advantages to corporations, telecommunications infrastructure

and, of course, the innate customer service skills offered by the labour pool available on the island."

Another company, Crucible International Inc., provides world-class outsourcing services for clients in the Americas and Europe from its headquarters in Barbados. The company noted that Barbados was initially chosen over competing locations due to its political, social and economic stability, access to excellent talent and intellectual human capital. In addition, the jurisdiction's solid business environment, reliable telecommunications and utility infrastructure, as well as its proximity to the North American market gave Barbados an attractive edge over similar jurisdictions.

Barbados has also raised the bar through the ongoing diversification of its product offerings, providing an environment for knowledge process outsourcing (KPO), enabling companies to add value rather than focus primarily on cost reduction. Consequently, Barbados has also attracted a number of companies that provide KPO services such as legal and paralegal services, programming and software development, coding and mobile applications development, as well as accounting and financial services. Given the current technological wave, the demand for such services is growing rapidly, further enhancing Barbados' appeal to the discerning investor.

The Government of Barbados welcomes foreign direct investment in its productive sectors. It continues to introduce measures to enhance the local business environment and thereby the competitiveness of the island. In fact, the government is focused on Barbados becoming a premier centre for global business by 2021. It is therefore working with the private sector to accelerate the growth and expansion of the contact centre industry in Barbados. Through its investment promotion agency, Invest Barbados (IB), the government is pro-actively seeking to attract investment in this sector as it seeks to diversify and transform the local economy.

Invest Barbados welcomes the opportunity to guide potential investors through the process of setting up or expanding their operations in Barbados. We also welcome the opportunity to introduce foreign investors to local partners who can provide reliable, cost effective and efficient services. We welcome your business. *Come... grow with us!*

For further information on the Barbados value proposition, its revised tax regime and to find out how IB can help, please contact us at **(246) 626-2000**, ecatwell@investbarbados.org or visit our website at www.investbarbados.org.

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tries, such as Trinidad and Barbados, have implemented effective policies to streamline the investment process. Barbados has also implemented an economic recovery and transformation plan, following an approval of \$290m from the IMF's Extended Fund Facility in October 2018, as it tries to both stabilise its macroeconomic environment and prepare Barbadians for the changing tides in the outsourcing industry. Kenneth Campbell, director of investment promotion at Invest Barbados, says: "At the heart of the transformation phase is the retooling, empowering, retraining and enfranchising of Barbadians to be active participants in a new, high-skilled, knowledge-driven economy."

Public sector lacking

On a regional level, however, there is a lack of the digital adoption necessary within the public sector to ensure that there is an innovation ecosystem conducive and attractive to outsourcing firm investment. "Further investment is undoubtedly abundant in global services, but the track record of many Caribbean countries is mixed in

regard to developing a fully fledged strategy to bring both private industry and the public sector together to focus on the opportunity," says Kirk Laughlin, managing director and founder of media, research and advisory group Nearshore Americas.

Collaboration between countries could bridge the gap between best and worst approaches to the services industry, to ensure implementation of the requisite regulation, training and innovation for further investment. "Across our member countries, the Caribbean Association of Investment Promotion Agencies [Caipa] has been able to share knowledge and best practices in whichever sector that we jointly promote. We are capable of our higher officials and other government institutions to share exactly what is needed from these investors," says Caipa president Tessa Jacques.

Given that the trend in the outsourcing industry is towards higher value services and technological implementation, there is plenty of room for improvement – but Caribbean countries are at least taking the challenges head on. ■

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COME FOR THE COST, STAY FOR THE TALENT

As home to some of the world's foremost sprint athletes, Jamaica is famed for being at the top of its game.

But it's not just in sport that the nation excels; it's been building a fanbase in the outsource industry, where its competitive costs and high-skilled workforce have helped it generate an estimated annual revenue of more than US\$400 million.

Billed as the centre of digital and innovation creation in the Caribbean, Jamaica is the base for around 60 companies offering call centre and Business Process Outsourcing (BPO) services, including Conduent (formerly Xerox), Teleperformance, Vistaprint, Hinduja Global Solutions, and Sutherland Global Services (SGS), as well as notable homegrown multinationals such as ItelBPO. One of its most recent successes is Concentrix's investment in two BPO centres.

The country's reputation for being business friendly is what's encouraging firms to invest here. It has a history of political stability and there are no restrictions on business ownership and moving capital in and out of the country. Additionally, the government is providing the outsource industry with priority sector support through a major training initiative and the creation of a special economic zone.

Jamaica's outsourcing sector directly employs more than 32,000 agents, and the government is committed to further building talent for the industry. One recent initiative is its signing of a US\$15 million loan agreement with the Inter-America Development Bank to support the development of skills for additional higher value-added jobs in global services. The project will be rolled out over five years, and will also include programmes to

develop job readiness, entry-level digital training, IT support, training for trainers and quality assurance. It also plans to establish a skills board and create a job platform that matches talent with jobs in the sector.

In addition to building talent, consecutive governments have taken steps to boost the country's technology and infrastructure which are key to the success of its Global Services Sector. There has been rapid tech investment in the two decades since the liberalisation of Jamaica's telecoms sector, and a focus on creating first-world commercial facilities. For example, the government has rubber stamped a purpose-built commercial space which is scheduled to be developed in the near term and includes the approximately 750,000 square foot Naggo Head Technology Park.

"One CEO told me he came for the cost and stayed for the talent," says Roger Williams, National Outsourcing Coordinator, President's Office, JAMPRO. "We have a unique strength. If you're looking for a low-cost location, Jamaica is only a little more expensive than India or the Philippines for entry-level work, but we're getting a strong reputation in customer service. Investors tell us our natural ability to handle complex, unscripted customer service and the ability to think outside the box is better than our competitors."

In addition to providing traditional BPO services, it is becoming a popular location for other outsourcing services, such as animation, voice-driven services, knowledge process outsourcing (KPO), legal process outsourcing (LPO), human resources, software development testing and maintenance, helping it to reach 43 in the A.T. Kearney

Global Services Locations Index 2017.

The country supports clients in the US, Europe and other neighbouring Caribbean countries, and has a particular strength in near-shore outsourcing for US-based firms. "We have a strong talent pool backed up by excellent IT support, which makes us attractive to US companies," says Mr Williams. "Our cost of labour is competitive, while still being high quality, and our location is also a big advantage. We're perfect for US firms compared with India and Philippines. We're the third-largest native English-speaking country in the western hemisphere; and because we consume the same media as the US, we have greater cultural affinity and brand awareness than other countries." For example, the government has rubber stamped a purpose-built commercial space which is scheduled to be developed in the near term and includes the approximately 750,000 square foot Naggo Head Technology Park.

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